
Federal Funding

Overview and Table of Contents

Washington receives federal funding based on the Transportation Equity Act for the 21st Century (TEA-21) which is the federal surface transportation law passed in 1998. The law authorizes transportation programs and spending levels, and is funded by federal taxes on fuels, sales of tires, trucks and trailers, and by truck weight fees.

During the 2003-2005 biennium WSDOT and local agencies such as cities and counties are anticipated to receive apportionments of \$1,157 million from the Federal Highway Administration (FHWA) for highway-related projects. (Apportionments are a promise of the federal government to provide a particular funding amount to be applied to state and local expenditures meeting certain federal criteria). \$476 million apportionment is expected through the Federal Transit Administration (FTA) for public transit capital and operating assistance programs. In addition, state and local transportation agencies will receive about \$20 million through the National Highway Traffic Safety Administration (NHTSA) and FHWA to operate various federal highway traffic safety programs.

The state also receives funding from the Federal Airport and Airway Trust Fund. Taxes on aviation fuel, air freight, and passenger tickets provide revenue for the fund.

Because the expenditures related to federal apportionments may be spread over several years and may go directly to local jurisdictions, federal appropriations in the state transportation budget do not match the apportionment figures provided in this chapter.

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Federal Funding - General Information

State Revenue from Federal Programs

The state receives apportionments and allocations of federal funds from a variety of Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) programs. Listed below are the actual apportionments and allocations to the state and local agencies from the statutory federal programs. In addition, the state was eligible for certain discretionary programs administered by the U.S. Department of Transportation.

FHWA Formula Program Apportionments To Washington (Dollars in Millions)

<u>Program</u>	FFY 2004 <u>Apportionments</u>	FFY 2003 <u>Apportionments</u>
Interstate Maintenance	\$105.0	\$80.0
National Highway System	117.0	90.0
Bridge Replacement & Rehabilitation	125.0	96.0
Surface Transportation Program	149.0	115.0
Minimum Guarantee	27.0	26.0
Congestion Mitigation and Air Quality	29.0	22.0
Recreational Trails	1.0	1.0
Metropolitan Planning	5.0	4.0
State Planning & Research	11.0	9.0
High Priority Projects	<u>0.0</u>	<u>37.0</u>
TOTAL	\$570.0	\$481.0

Note: The increases in funding in FHWA programs between FFY 2003 and 2004 are due to short-term continuing resolutions to TEA-21 programmatic funding while excluding funding for project specific High Priority Projects and discretionary funds.

FTA Formula Program Allocations To Washington (Dollars in Millions)

<u>Program</u>	FFY 2004 <u>Allocations</u>	FFY 2003 <u>Allocations</u>
Fixed Guideway Modernization (5309) ¹	\$ 22.1	\$23.6
New Starts (5309) ²	73.8	29.5
Bus & Bus Facilities (5309) ³	26.9	32.8
Capital and Operating Grants (5307) ⁴	121.2	121.0
Rural Assistance (5311)	4.2	4.2
Rural Transit Assistance Program (5311)	0.1	0.1
Elderly/Disabled Assistance Programs (5310)	1.7	1.7
MPO Planning (5303)	1.3	1.3
State Planning (5313)	0.3	0.3
Job Access/Reverse Commute	<u>4.7</u>	<u>5.2</u>
TOTAL	\$ 256.3	\$219.7

¹ Direct allocations to Puget Sound Regional Council for Seattle and Tacoma area projects benefiting fixed guideway systems.

² Allocated for Puget Sound Sounder Commuter Rail & Central Link Light Rail.

³ Allocated discretionary grants for transit purposes in Washington State.

⁴ Direct allocations to Transportation Management Areas (TMAs) for the Portland-Vancouver area, Seattle, Bremerton, Spokane, Marysville, Tacoma; allocation to the Washington State Department of Transportation for Bellingham, Longview-Kelso, Olympia, Tri-Cities, Yakima, Wenatchee, Mount Vernon, Lewiston, ID-WA.

Federal Funding Process

How Funding is Authorized by Congress

The federal government periodically passes a surface transportation act, which is essentially a plan for funding transportation programs. Until 1991 these plans had typically provided authorizations for five-year periods. Surface transportation acts were passed in 1978, 1982, 1987, 1991 covering six years, and most recently in 1998. The 1998 act — Transportation Equity Act for the 21st Century, or "TEA-21" — authorized federal surface transportation programs for six years (FFYs 1998-2003). Since it expired on October 1, 2003 TEA-21 has been extended a number of times, most recently through May 31, 2005. Surface transportation acts generally do the following: Add, eliminate, or modify transportation programs; set authorization levels that define the maximum amount of money that can be expended for surface transportation programs; make special requests, such as for studies and high priority projects; and provide direction to the U.S. Secretary of Transportation for the allocation of discretionary funds.

Status of a New Transportation Authorization Bill

Since the expiration of TEA-21 on October 1, 2003, the Senate, House of Representatives, and the White House have been unable to negotiate their differences and craft a final bill so TEA-21 has been extended several times to continue the transportation programs and funding. The disagreements are focused on the overall funding level, the split between formula spending and discretionary spending, the split between highway and transit spending, the division of money between the states, and environmental policy as it relates to transportation projects.

In January 2005 a new Congress will convene, requiring the transportation reauthorization bill to be reintroduced and processed through the subcommittees and full committees of both the House and the Senate. As of December 2004 most transportation groups are advocating that Congress reintroduce the same legislation so that the subcommittees and committees could approve the legislation pro forma and proceed directly to negotiations. The alternative is that the bill would be rewritten, which would require debates and votes in the subcommittees and committees, and the full chambers, before negotiations could proceed.

As Congress debates and crafts the next transportation reauthorization bill, they will wrestle with several challenging issues that will impact the final funding level: federal transportation revenue is flattening or possibly declining; a stronger desire to reign in domestic spending and earmarks in order to reduce an ever-growing budget deficit; increasing spending demands for defense and homeland security; increasing spending pressures from the rising costs of health care and social security, and more budget hawks in Congress as a result of the November election. In addition, Congress has a number of other legislative priorities that may distract them from transportation such as intelligence-reform, and in the Senate, confirmation hearings for Cabinet nominees and possibly a Supreme Court nominee.

Congress' inability to reauthorize a six-year bill on time has caused WSDOT and local jurisdictions to receive federal transportation money in dribs and drabs, and introduced great uncertainty into the planning process. It is very difficult at this point to predict what federal funding levels might be over the coming six years, as well as what programs might exist. It is also difficult to program projects and manage funding.

Since TEA-21 is still in effect pending a new transportation reauthorization bill, the following overview will center on the elements of TEA-21.

Transportation Equity Act for the 21st Century (TEA-21)

TEA-21 retained and built on most of the programs established under the previous transportation act, the Intermodal Surface Transportation Efficiency Act (ISTEA). The most significant changes in TEA-21 included: guaranteed spending levels, increased spending on surface transportation compared with ISTEA; and a new way of ensuring funding equity between states.

Increased Spending on Surface Transportation

The overall authorized funding level in TEA-21 for its six year life was \$218 billion, which was 43% more than the six year funding levels authorized under ISTEA. The funding was allocated as follows: \$172 billion for highway programs, \$2.9 billion for highway safety; \$41 billion for transit, and \$1.3 billion for rail. For Washington State, the projected increase in highway program funds was approximately 20% compared with ISTEA. (This calculation takes into account the interstate discretionary funds Washington successfully competed for and received during ISTEA. If the discretionary funds received during ISTEA are removed from the calculation, Washington's increase is approximately 36%).

Ensuring Equity: Minimum Guarantee

In a major change to previous federal budget rules, highway and transit programs are now guaranteed a minimum level of spending under TEA-21 — \$198 billion over the life of the act with \$162 billion for highways and \$36 billion for transit. During the development of TEA-21, many states were concerned with ensuring fair returns from contributions made to the Highway Trust Fund. During the interstate completion era, many states, including Washington, received far more federal funds than they contributed to the Highway Trust Fund. TEA-21 contains a single equity adjustment funding category – the Minimum Guarantee program – to ensure that no state will receive less than 90.5% of its share formula funds based on the total contributions to the Highway Account of the Highway Trust Fund. This program replaces the multiple equity programs that existed under ISTEA (equity programs that are now eliminated included: Minimum Allocation, Donor State Bonus, Hold harmless, 90% of Payments and Interstate Reimbursement). Because Highway Trust Fund Contributions are used for other programs besides formula programs, a state's actual receipts may be well below 90.5% of contributions.

Highway programs of TEA-21 are financed primarily from the Highway Account of the Federal Highway Trust Fund. Transit programs are financed from both the Federal General Fund and the Mass Transit Account of the Highway Trust Fund. The Highway Trust Fund receives most of its revenue from taxes on gasoline and diesel fuels - currently at rates of 18.4 cents and 24.4 cents per gallon, respectively. Federal taxes on tires, trucks and trailers and interest earnings provide the remainder of the Highway Trust Fund revenues. Transit funding is guaranteed at a selected fixed amount and can be used only to support projects eligible under transit programs (see [*Federal Transportation User Fees*](#) on page 137).

Highway Trust Fund Firewall - Revenue Aligned Budget Authority (RABA)

Under the new Revenue Aligned Budget Authority (RABA) rule, highway programs are also guaranteed amounts keyed to actual Highway Trust Fund receipts. The new rule states that unanticipated revenues to the highway trust fund must be spent for highway purposes. There is a potential downside to the RABA rule if trust fund receipts fall short of projections. Formula apportionments are decreased a corresponding amount.

Transferability of Federal Funds

TEA-21 expanded in ISTEA's increased flexible use of federal highway and transit funds. While the 1987 surface transportation act allowed some transfers of funds between programs, ISTEA and TEA-21 greatly expanded this ability. The intent of Congress was to allow states and local jurisdictions greater flexibility in determining how federal funds would be used.

Federal Transportation User Fees

Motor Fuel

Gasoline: 18.4¢ per gallon

- 15.44¢ for Highway Account
- 2.86¢ for Mass Transit Account
- 0.1¢ for Leaking Underground Storage Tank Trust Fund

Diesel Fuel: 24.4¢ per gallon

- 21.44¢ for Highway Account
- 2.86¢ for Mass Transit Account
- 0.1¢ for Leaking Underground Storage Tank Trust Fund

Special Fuels: 18.4¢ per gallon

- 15.44¢ for Highway Account
- 2.86¢ for Mass Transit Account
- 0.1¢ for Leaking Underground Storage Tank Trust Fund

Gasohol (10% gasohol made with Ethanol): 13.1¢ per gallon

- 7.64¢ for Highway Account
- 2.86¢ for Mass Transit Account
- 0.1¢ for Leaking Underground Storage Tank Trust Fund
- 2.5¢ for General Fund

Other Highway User Fees (Dedicated To Highway Account)

Tires

- | | |
|----------------|---------------------------------------|
| – 0-40 lbs. | No tax |
| – 41-70 lbs. | 15¢ per lb. over 40 lbs. |
| – 71-90 lbs. | \$4.50 plus 30¢ per lb. over 70 lbs. |
| – Over 90 lbs. | \$10.50 plus 50¢ per lb. over 90 lbs. |

Truck and Trailer Sales

- 12% of retailer's sales price for all tractors and trucks over 33,000 lbs. GVW (gross vehicle weight) and trailers over 26,000 lbs. GVW

Heavy Vehicle Use (Annual Tax)

- Trucks 55,000-75,000 lbs. GVW, \$100 plus \$22 for each 1,000 lbs. over 55,000 lbs.
- Trucks over 75,000 lbs. GVW, \$550

Federal Highway Trust Fund Revenue

The Highway Trust Fund (HTF) was established by the Highway Revenue Act of 1956 as a mechanism to fund construction of the Interstate Highway System. Taxes dedicated to the HTF are extended periodically by Congress--most recently as part of TEA-21.

Like other federal trust funds, such as the Social Security Trust Fund, the HTF is a financing mechanism established by law to account for receipts that are collected by the federal government and designated for a specific purpose. The Highway Revenue Act provided that revenues from certain highway user taxes, primarily the federal gasoline tax and a variety of tire and truck sales taxes, would be credited to the HTF to finance the highway program enacted in the Federal-Aid Highway Act of 1956.

Originally, the HTF focused solely on highways. In the early 1980's, Congress decided that some revenues should be used to fund transit needs. As a result, two separate accounts were created within the HTF – one for highways and the other for mass transit. Today the federal gasoline tax is the primary source of revenue to the HTF accounts. The federal gasoline tax is 18.4¢ per gallon. Of this, 2.86¢ flows to the Mass Transit Account and 15.44¢ flows to the Highway Account. Other taxes and fees flowing into the HTF are displayed earlier in this document (see [Federal Transportation User Fees](#) on page 137).

Each penny of federal motor fuel tax results in about \$1.1 billion annually. Before TEA-21, not all gasoline taxes were earmarked for transportation. In recent years, a portion has gone to the general fund for debt reduction. With the enactment of TEA-21, all federal gasoline tax revenue will go into the HTF and will be directed to transportation.

As part of the TEA-21 agreements that changed the budget rules applied to transportation, there was a one-time adjustment to the Highway Account balance, reducing it to \$8.0 billion effective October 1, 1998. In addition, effective October 1, 1998, interest earnings on investing the cash balances in the HTF will no longer be credited to the account.

Federal Fiscal Year 2003 (October 1, 2002 - September 30, 2003)

Highway Account Fund Revenue

Income:

Motor Fuel Taxes	\$ 27.131 billion
Other Taxes*	3.053 billion
Total Income	\$30.184 billion

The Highway Trust Fund balance was reduced to \$8.0 billion effective October 1, 1998, with the difference being credited to the General Fund of the Treasury.

*Includes taxes on tires, trucks and trailers, and heavy vehicle use

Mass Transit Account Revenue

Income:

Motor Fuel Taxes	\$4.965 billion
Total Income	\$4.965 billion

Federal Transportation Programs - Aviation

FEDERAL PROGRAM:

Airport Planning Grants

FEDERAL AGENCY:

Federal Aviation Administration

PROGRAM DESCRIPTION

Program funds are distributed on a grant basis and are currently used to support the following Aviation Division effort:

Production of a State Airport System Plan for Washington State. Provides inventory of airport facilities and forecasts for operation in the state. Determines level of construction, maintenance, and improvement necessary throughout the system. Provides the information necessary for the FAA to develop the Washington state portion of the Federal National Plan of Integrated Airport Systems. Provides the information necessary for the aviation mode in the Washington State Transportation Plan.

STATE RECIPIENTS

DOT Program F (Aviation Division)

DISTRIBUTIONS

Funds have been distributed by grant based on regional needs. The Federal System Planning Program has been eliminated as a stand alone program and has been combined into the Airport Improvement Program (AIP) which provides discretionary grants to states for airport improvements and planning.

MATCHING REQUIREMENTS

Federal, 90%; State, 10%

Federal Transportation Programs - Highways

FEDERAL PROGRAM: **Bridge Discretionary Program**

FEDERAL AGENCY: Federal Highway Administration

PROGRAM DESCRIPTION

The Bridge Discretionary Program provides funds to states with the following priority considerations:

- Projects with a replacement or rehabilitation cost in excess of \$10 million.
- Projects with a total replacement or rehabilitation cost of less than \$10 million if such cost is at least twice the annual state apportionment under the formula Bridge Program.

Amounts available for this program under TEA-21 (from Bridge Program funds) are \$25 million in FFY 1998, \$100 million per year in FFYs 1999-2003.

STATE RECIPIENTS

WSDOT Program P2 (Structures Preservation) and Z for local agency discretionary projects

DISTRIBUTIONS

Distributions are at the discretion of the U.S. Secretary of Transportation based on application of the states or on Congressional direction.

MATCHING REQUIREMENTS

80% Federal, 20% State. Bridge Program funds not subject to adjustment for federal lands.

FEDERAL PROGRAM:

Bridge Replacement and Rehabilitation

FEDERAL AGENCY:

Federal Highway Administration

PROGRAM DESCRIPTION

The Bridge Replacement and Rehabilitation Program provides funds to states for the replacement or rehabilitation of deficient bridges (bridges which are unsafe because of structural deficiencies, physical deterioration, or functional obsolescence) both on and off the federal-aid highway system. The state maintains an inventory of all bridges, classified according to serviceability, safety and importance for public use. Based on that classification, each bridge is assigned a priority and cost to either replace or rehabilitate. The state, in cooperation with city and county agencies, selects bridges for replacement or rehabilitation, according to the funds available. Under federal law, apportioned funds must be split with not less than 15% and not more than 35% being expended on public off-system bridges.

Under ISTEA, bridge seismic retrofitting, bridge structure painting and the application of calcium magnesium acetate became eligible uses of federal bridge funds. Through TEA-21, eligible uses expanded to include application of certain anti-icing and de-icing compositions and installation of scour countermeasures.

STATE RECIPIENTS

WSDOT Program P2 (Structures Preservation) and Program Z for local agency share

DISTRIBUTIONS

Distributions are based on the state's share of the total cost to replace deficient bridges as a percentage of the national total of such cost. No state may receive more than 10% or less than 0.25% of the national amount available for apportionment.

Over the 6 year life of TEA-21, Washington received \$624.6 million for this program.

MATCHING REQUIREMENTS

80% Federal, 20% State. Bridge Program funds are not subject to adjustment for federal lands.

FEDERAL PROGRAM:

Congestion Mitigation Air Quality Improvement Program

FEDERAL AGENCY:

Federal Highway Administration

PROGRAM DESCRIPTION

The Congestion Mitigation and Air Quality Improvement Program (CMAQ) was established under ISTEA and is continued under TEA-21. The CMAQ Program provides funds to states for transportation programs and projects that are likely to contribute to the attainment and maintenance of national ozone, carbon monoxide or particulate (PM-10) ambient air quality standards. Examples of such projects are programs for improved transit; construction of lanes for use by buses or HOVs; employer based transportation management plans; trip reduction ordinances; traffic flow improvement programs; fringe and corridor parking facilities; carpool and vanpool programs; flexible work schedule programs; and non-motorized transportation facilities. ISTEA originally established the CMAQ for ozone and carbon monoxide non-attainment areas. Under TEA-21, ozone and carbon monoxide maintenance areas as well as PM-10 non-attainment and maintenance areas became eligible to receive funds. Eligibility was also expanded to include extreme low temperature cold start programs and alternative fuels programs including infrastructure development and vehicle purchase.

No CMAQ funds may be used for new single occupant vehicle lanes unless the lanes are used as HOV lanes during peak travel times.

In Washington, the Seattle-Tacoma-Everett, Spokane, Vancouver, and Yakima areas qualify as ozone, carbon monoxide, or PM-10 non-attainment or maintenance areas.

STATE RECIPIENTS

WSDOT Programs I1 and Z

DISTRIBUTIONS

State apportionments are based on the state's population in ozone or carbon monoxide non-attainment or maintenance areas as a percentage of the national population in such areas. Population is weighted depending on the severity of the ozone or carbon monoxide non-attainment or maintenance area. Each state is guaranteed a minimum 1/2 of 1% share of the available national funds.

The WSDOT, the Metropolitan Planning Organizations in the three Transportation Management Areas (Seattle-Tacoma-Everett, Spokane, and Vancouver) covering the state's ozone and carbon monoxide non-attainment and maintenance areas, and Yakima, representing an unclassified carbon monoxide non-attainment area jointly developed a distribution formula for these funds.

Over the 6 year life of TEA-21, Washington received \$139.3 million for this program.

MATCHING REQUIREMENTS

80% Federal, 20% State. The federal share is increased up to 95% for states with large areas of federally-owned lands.

FEDERAL PROGRAM: **Emergency Relief Program**

FEDERAL AGENCY: Federal Highway Administration

PROGRAM DESCRIPTION

The Emergency Relief Program authorizes the FHWA to render assistance for repair and reconstruction of federal-aid highways that have been damaged due to a natural disaster such as flooding or as a result of catastrophic failures from any cause. The federal share payable on account of any repair or reconstruction is 100% of the costs incurred to minimize damage, protect facilities or restore essential traffic services during the first 180 days after the occurrence. Thereafter, the federal share is equal to the federal share payable on a project on the system (generally, 90.66% on the Interstate System and 86.5% on all other routes).

In order to receive Federal Emergency Relief funds, the Governor must declare an emergency; the U.S. Secretary of Transportation must concur; and the FHWA must receive an application from the Washington State Department of Transportation. If the President has declared the emergency to be a major disaster for purposes of federal law, no concurrence of the U.S. Department of Transportation is required.

TEA-21 authorizes \$100 million per year for the Emergency Relief Program.

The state has received Emergency Relief funds for a number of natural calamities, including the Hood Canal Bridge failure in 1979, (SR 104), the Mt. St. Helens eruption in 1980 (SR 504) and the sinking of the Lacey V. Murrow Bridge in 1990 (I-90). More recently, Washington received substantial funding for flood-related damage occurring in 1995 through 1998.

STATE RECIPIENTS

WSDOT Programs I2, P1, P2, P3, M2 and Z for Local Agencies

DISTRIBUTIONS

Distributions are at the discretion of the U.S. Secretary of Transportation based on a declaration of emergency by the Governor (with concurrence of the Secretary) and application of the state. In the event the President has declared the emergency to be a major disaster, concurrence of the U.S. Secretary is not required.

MATCHING REQUIREMENTS

Federal share is 100% during the first 180 days after the occurrence. Thereafter, the federal share is equal to the federal share payable on a project on the federal-aid system (generally, 90.66% on the Interstate System and 86.5% on all other routes).

FEDERAL PROGRAM:

Federal Lands Program

FEDERAL AGENCY:

Federal Highway Administration

PROGRAM DESCRIPTION

The Federal Lands Highways Program provides funding for improvements to and preservation of highways on federal lands. The Program has four categories: Indian Reservation Roads; Parkways and Park Roads (administered by the Department of the Interior); Public Lands Highways (which includes the previous Forest Highway category), and Refuge Roads. Under TEA-21, the Refuge Roads category was added to provide funds for access to or within national wildlife refuges. All categories of funds, except Refuge Roads, can be used for transit facilities.

STATE RECIPIENTS

WSDOT Program P1, P2, or Z for Local Agencies

DISTRIBUTIONS

Funds are allocated to the states on the basis of relative need. The Forest Highway portion of the Public Lands Highways and the Indian Reservation Roads authorizations are allocated by administrative formula. Portions of the Federal Lands Highways program are at the discretion of the U.S. Secretary of Transportation, based on application of the states.

MATCHING REQUIREMENTS

100% Federal share

FEDERAL PROGRAM:

Ferry Boat and Terminal Facilities Program

FEDERAL AGENCY:

Federal Highway Administration

PROGRAM DESCRIPTION

The Construction of Ferry Boats and Terminal Facilities Program provides discretionary funding of \$30 million in FFY 1998 and \$38 million per year in FFYs 1999-2003 for the construction of ferry boats and ferry terminal facilities. Eligible ferries must operate on a route classified as a public road within the state, and that is not a part of the Interstate System. Projects may be eligible for both ferry boats carrying cars and passengers and ferry boats carrying passengers only. TEA-21 expanded the eligibility of the program beyond ferry boats and terminals that are publicly owned to also include those that are publicly operated or those that are majority publicly owned and provide a substantial public benefit.

STATE RECIPIENTS

Program W for Washington State Ferries and Program Z for local agency projects

DISTRIBUTIONS

Distributions are at the discretion of the U.S. Secretary of Transportation, based on application by the state or at Congressional direction. Congress established a \$20 million per year set-aside for 1999-2003 as follows: Washington - \$5 million, Alaska - \$10 million, and New Jersey - \$5 million. To date, Washington has only received the \$5 million earmark for each federal fiscal year.

Over the 6 year life of TEA-21, Washington received \$31.6 million for this program.

REQUIREMENTS

80% Federal, 20% State, without an adjustment for federal lands

FEDERAL PROGRAM: **High Priority Projects**

FEDERAL AGENCY: Federal Highway Administration

PROGRAM DESCRIPTION

In addition to formula-based distributions of various federal-aid highway program funds, such as for Interstate Maintenance, National Highway System, and Surface Transportation Program, Congress often provides funds for named high priority projects (in the past these projects have been called demonstration projects) in either highway aid authorization bills, such as TEA-21, or in annual U.S. Department of Transportation appropriations bills.

High priority project funds may only be spent for the project identified in either TEA-21 or the appropriations bill or the Conference Reports to the appropriations bill.

STATE RECIPIENTS

WSDOT Programs I1, I2, I3, I4, P1, P2, P3, and Z

DISTRIBUTIONS

High Priority Projects are discretionary on the part of Congress. TEA-21 includes \$199 million for Washington State High Priority Projects.

Over the 6 year life of TEA-21, Washington received \$198.3 million for this program.

MATCHING REQUIREMENTS

80% Federal, 20% State.

FEDERAL PROGRAM: **Intelligent Transportation Systems Program**

FEDERAL AGENCY: Federal Highway Administration

PROGRAM DESCRIPTION

The Intelligent Transportation Systems Program (ITS) provides for the research, development and operational testing of ITS aimed at solving congestion and safety problems, improving operating efficiencies in transit and commercial vehicles; and reducing the environmental impact of growing travel demand. Proven technologies that are technically feasible and highly cost effective will be deployed nationwide. The program is divided into two key areas:

Research and Development

Funding is provided for a comprehensive program of research, development, and operational tests of ITS. Operational tests are to be designed to permit objective evaluations, obtain cost-benefit information, and develop and implement standards. Congress authorized \$95 million per year for FFY 98 and FFY 99, \$98.2 million for FFY 2000, \$100 million for FFY 2001, \$105 million for FFY 2002, and \$110 million for FFY 2003.

Deployment Incentives

Funding is to accelerate ITS integration and interoperability in metropolitan and rural areas; and to advance the technological capability and promote deployment of ITS applications to commercial vehicle operations. There are fiscal year limitations on funding: 1) not more than \$15 million for a single metropolitan area, 2) not more than \$2 million for projects in a single rural area, and 3) not more than \$35 million for projects in any one state. In metropolitan areas, funding shall be used primarily for integration. For projects outside metropolitan areas funding may also be used for installation. At least 10% of the ITS integration program funds must be used in rural areas. In addition, approximately \$10 million per year are earmarked for specific research or projects. Funding levels -- \$101 million for FFY 98, \$105 million for FFY 1999, \$113 million for FFY 2000, \$118 million for FFY 2001, \$120 million for FFY 2002, and \$122 million for FFY 2003.

STATE RECIPIENTS

WSDOT Program I1 and I2

DISTRIBUTIONS

Grants to states are at the discretion of the U.S. Secretary of Transportation or at Congressional direction, based on application of the states.

MATCHING REQUIREMENTS

For research and development projects, the federal share shall not exceed 80%. For deployment projects, the federal share shall not exceed 50% from funds made available for this program. However, the total federal share of projects payable from all eligible sources shall not exceed 80%.

FEDERAL PROGRAM: **Interstate Highway System - Discretionary Construction**

FEDERAL AGENCY: Federal Highway Administration

PROGRAM DESCRIPTION

The Interstate Discretionary Construction program was created under ISTEA to accelerate the completion of the Interstate System. Each year a portion of the funds authorized for the Interstate Construction program were set-aside for allocation to states at the discretion of the U.S. Secretary of Transportation. The priorities for distribution were:

Projects that directly contribute to the completion of an Interstate segment that is not open to traffic;
Projects of high cost in relation to the state's annual apportionment;
State's plan for early obligation of its formula Interstate Construction apportionment; and
Early advertisement dates for Interstate Discretionary Construction funds.

There was \$64 million in unallocated funds remaining from ISTEA. No new funds were made available under TEA-21.

STATE RECIPIENTS

WSDOT Program I1

DISTRIBUTIONS

Distributions are made at the discretion of the U.S. Secretary of Transportation based on application of the states or at Congressional direction.

MATCHING REQUIREMENTS

The general rule is 90% Federal, 10% State. The federal share may be increased up to 95% for states with large areas of federally-owned lands. Washington's federal share for FFY 1999 was 90.66%. The federal share for additional capacity lanes other than HOV or auxiliary lanes is 80% with an increase of up to 95% for states with large areas of federally-owned lands. For Washington, the federal share is 86.5%.

FEDERAL PROGRAM: Interstate Highway System - Interstate Maintenance

FEDERAL AGENCY: Federal Highway Administration

PROGRAM DESCRIPTION

The Interstate Maintenance Program provides funds to states to maintain the Interstate System, and includes resurfacing, restoration, rehabilitation and reconstruction (ISTEA did not include reconstruction, but TEA-21 expanded the allowed uses). Interstate Maintenance funds may not be used for the expansion of the capacity of any Interstate highway or bridge unless the capacity expansion consists of one or more travel lanes that are High Occupancy Vehicle (HOV) or auxiliary lanes.

STATE RECIPIENTS

WSDOT Programs I1, I2, I3, P1, and P3

DISTRIBUTIONS

State apportionments are based on a three-part formula:

- 33-1/3% based on the state's Interstate lane miles as a percent of total Interstate lane miles in all states.
- 33-1/3% based on the state's Interstate VMT as a percent of total Interstate VMT in all states.
- 33-1/3% based on the state's annual contributions to the Highway Account of the Highway Trust Fund attributable to commercial vehicles as a percent of the such contributions by all states.

Each state must receive a minimum apportionment of at least 1/2 of 1% of the national total.

Over the 6 year life of TEA-21, Washington received \$491.4 million for this program.

MATCHING REQUIREMENTS

The general rule is 90% Federal, 10% State. The federal share may be increased up to 95% for states with large areas of federally-owned lands. Washington's federal share is 90.66%.

FEDERAL PROGRAM:

Interstate Highway System - Interstate Maintenance Discretionary

FEDERAL AGENCY:

Federal Highway Administration

PROGRAM DESCRIPTION

The Interstate Maintenance Discretionary Program provides funds at the discretion of the U.S. Secretary of Transportation to states for resurfacing, restoration, rehabilitation and reconstruction projects on the Interstate System. To be eligible for these funds, a state must obligate all apportioned Interstate Maintenance (IM) funds and must not have transferred any IM funds to another program in the previous year. Congress authorized \$50 million for FFY 1998, and \$100 million per year for FFY 1999-2003.

STATE RECIPIENTS

WSDOT Programs I1, I2, I3, P1, and P3

DISTRIBUTIONS

Distributions are made at the discretion of the U.S. Secretary of Transportation based on application of the states. Washington did not meet the eligibility requirements for these during the life of TEA-21.

MATCHING REQUIREMENTS

The general rule is 90% Federal, 10% State. The federal share may be increased up to 95% for states with large areas of federally-owned lands.

FEDERAL PROGRAM: **Metropolitan Planning**

FEDERAL AGENCY: Federal Highway Administration

PROGRAM DESCRIPTION

Each year prior to making distribution of certain formula program funds, 1% of the funds available for apportionment to the states is set aside for the Metropolitan Planning Program. This program provides funds to states for further allocation to Metropolitan Planning Organizations (MPOs) to assist them in carrying out their planning requirements under Title 23, U.S.C. The programs subject to the 1% set aside are the National Highway System, Surface Transportation Program, CMAQ, Interstate Maintenance and Bridge.

Funds are apportioned to states in the ratio which the population in urbanized areas or parts thereof in the state bears to the total population in such areas in all the states. No state receives less than 1/2% of the amount apportioned.

STATE RECIPIENTS

WSDOT Program T

DISTRIBUTIONS

Distribution of Metropolitan Planning funds within the state is in accordance with a formula developed by WSDOT in cooperation with the eight MPOs in the state. The eight MPOs cover the central Puget Sound area (Puget Sound Regional Council), Spokane, Vancouver, Bellingham, Yakima, Longview-Kelso, Richland-Kennewick-Pasco, and Olympia-Lacey-Tumwater.

Over the 6 year life of TEA-21, Washington received \$22.1 million for this program.

MATCHING REQUIREMENTS

The general rule is 80% Federal, 20% Local. The federal share is increased up to 95% for states with large areas of federally-owned lands. For Washington, the federal share is 86.5%.

FEDERAL PROGRAM:

National Highway System

FEDERAL AGENCY:

Federal Highway Administration

PROGRAM DESCRIPTION

The National Highway System Program was established under ISTEA. The system was officially designated by Congress in 1996. The National Highway System (NHS) is a 163,000 mile network of interconnected principal arterial routes that serves major population centers, international border crossings, ports, airports, public transportation facilities, and other intermodal transportation facilities and major travel destinations. The NHS is intended to meet national defense requirements and serve both interstate and interregional travel.

The designated NHS includes all Interstate System segments, other urban and rural principal arterials meeting the goals of the NHS, all strategic highways and strategic highway connectors. Congress designated the system through enacting the National Highway System Designation Act on November 18, 1996.

Federal funds provided for the NHS Program may be used for a wide variety of projects on the NHS, including: construction, reconstruction, resurfacing, restoration, and rehabilitation; operational improvements; construction of and operational improvements for a non-NHS highway; construction of a transit project eligible for assistance under the Federal Transit Act (if the project is in an NHS corridor and in proximity to a fully access controlled NHS highway, if the project improves the level of service on the access controlled highway, and the project is more cost-effective than improvements to the highway); highway safety improvements; transportation planning; highway research and planning; technology transfer activities; start-up costs for traffic management and control; fringe and corridor parking facilities; carpool and vanpool projects; bicycle and pedestrian facilities; development of certain required management systems; and a variety of wetlands mitigation efforts.

TEA-21 expanded the eligible uses of NHS funds to include natural habitat mitigation, publicly owned intra- and inter-city bus terminals and intelligent transportation system (ITS) capital improvements.

STATE RECIPIENTS

WSDOT Programs I1, I2, I3, I4, P1, P3, T and Z

DISTRIBUTIONS

State apportionments are based on a four part formula:

- 25% based on the state's total lane miles of principal arterials (excluding the interstate System) as a percent of total principal arterial lane miles in all states.
- 35% based on the state's VMT on principal arterials (excluding the Interstate System) as a percent of total VMT on principal arterials in all states.
- 30% based on the state's diesel fuel used on all highways as a percent of diesel fuel used on highways in all states.
- 10% based on the state's total lane miles of principal arterials divided by the state's total population as a percent of such ratio for all states.

Each state must receive a minimum of at least 1/2 of 1% of the combined NHS and IM national apportionments.

Over the 6 year life of TEA-21, Washington received \$550.6 million for this program.

MATCHING REQUIREMENTS

The general rule is 80% Federal, 20% State. The federal share may be increased up to 95% for states with large areas of federally-owned lands. Washington's federal share for FFY 1999 was 86.5%. For NHS projects on the Interstate System, the federal share is 90.66%, except for projects to add Interstate capacity other than HOV or auxiliary lanes, which are funded at an 86.5% federal share.

FEDERAL PROGRAM:

National Scenic Byways Program

FEDERAL AGENCY:

Federal Highway Administration

PROGRAM DESCRIPTION

The National Scenic Byways Program provides grants to states with scenic highways programs for projects on highways that are designated by the U.S. Secretary of Transportation as All American Roads or National Scenic Byways, or by the state as scenic byways. These roads are designated for having outstanding scenic, historic, cultural, natural, recreational, and archaeological qualities. Eligible projects include planning, designing and developing of scenic byways programs; safety improvements to scenic byways; pedestrian and bicyclist facilities, rest areas, turnouts, shoulder improvements, passing lanes, overlooks, and interpretive facilities; improvements that enhance the area for the purpose of recreation; protection of historical and cultural resources; and developing and providing tourist information. TEA-21 expanded the list of eligible activities to include the development and implementation of scenic byway marketing programs.

STATE RECIPIENTS

WSDOT Program I3, or T

DISTRIBUTIONS

Grants to states are at the discretion of the U.S. Secretary of Transportation, based on application of the states, or at Congressional direction.

MATCHING REQUIREMENTS

80% Federal share, 20% State share. Federal land management agencies are allowed to provide the non-federal share for projects on federal or Indian lands.

FEDERAL PROGRAM:

Surface Transportation Program

FEDERAL AGENCY:

Federal Highway Administration

PROGRAM DESCRIPTION

The Surface Transportation Program (STP) was originally established under ISTEA. The STP is the most flexible of all federal-aid programs, allowing use for the widest array of transportation projects. Examples of such projects are construction, reconstruction, resurfacing, restoration, rehabilitation, and operational improvements for highways (including Interstate highways) and bridges (including Interstate bridges), including any project necessary to accommodate other transportation modes; mitigation of damage to wildlife, habitat and ecosystems caused by any transportation project; capital cost of transit projects eligible for assistance under the Federal Transit Act; publicly owned intracity and intercity bus terminals and facilities; highway and transit safety improvements and hazard elimination; surface transportation planning; highway and transit research and planning and technology transfer activities; capital and operating costs for traffic monitoring, management and control; fringe and corridor parking facilities; carpool and vanpool projects; bicycle and pedestrian facilities; transportation control measures; transportation enhancement activities; development of certain required management systems; and a variety of wetlands mitigation efforts.

Under TEA-21 STP funds are distributed as follows:

- 10% of available funds shall only be available for highway-railway crossing programs and hazard elimination programs.
- 10% of available funds shall only be available for transportation enhancement activities. The term "transportation enhancement activities" means the provision of facilities for pedestrians and bicycles; acquisition of scenic easements and scenic or historic sites; scenic or historic highway programs; landscaping and other scenic beautification; historic preservation, rehabilitation and operation of historic transportation buildings, structures, or facilities (including historic railroad facilities and canals); preservation of abandoned railway corridors (including conversion and use for pedestrian or bicycle trails); control and removal of outdoor advertising; archaeological planning and research; and mitigation of water pollution due to highway runoff.
- 50% of available funds must be obligated in urbanized areas of the state with an urbanized area population of over 200,000, and other areas of the state, in proportion to their relative share of the state's population. Of the amounts required to be obligated in areas under 200,000 population, the state must obligate in areas under 5,000 population not less than 110% of the amount of funds apportioned to the state for the federal-aid secondary system for fiscal year 1991 (TEA-21 permits up to 15% of amounts reserved for rural areas to be spent on rural minor collectors). In Washington, the Seattle-Everett, Tacoma, Spokane, and Vancouver areas qualify as areas over 200,000 population.
- 30% of the available funds may be obligated in any area of the state.

STATE RECIPIENTS

WSDOT Programs I1, I2, I3, I4, P1, P3, T, W and Z for Local Agencies

DISTRIBUTIONS

State apportionments are based on a three part formula:

- 25% based on the state's total lane miles of Federal-aid highways (FAH) as a percent of total FAH lane miles in all states.
- 40% based on the state's VMT on FAH as a percent of total VMT on FAH in all states.
- 35% based on the state's estimated tax payments attributable to highway users in the state paid into the Highway Account of the Highway Trust Fund in the latest fiscal year for which data are available, as a percent of total such payments by all states.

Over the 6 year life of TEA-21, Washington received \$698.0 million for this program.

MATCHING REQUIREMENTS

The general rule is 80% Federal, 20% State. The federal share is increased up to 95% for states with large areas of federally-owned lands. Washington's federal share for FFY 1999 was 86.5%. For STP projects on the Interstate System, the federal share is 90.66%, except for projects to add Interstate capacity other than HOV or auxiliary lanes, which are funded at an 86.5% federal share.

FEDERAL PROGRAM:

Minimum Guarantee Program

FEDERAL AGENCY:

Federal Highway Administration

PROGRAM DESCRIPTION

ISTEA's five equity-based funding categories – Minimum Allocation, Donor State Bonus, Hold harmless, 90% of Payments and Interstate Reimbursement—have been collapsed into one new category under TEA-21. This new program, Minimum Guarantee, achieves two goals: first, it disburses a large amount of money to the states, and second it ensures that each state will receive at least a minimum percentage of total funding each year regardless of the operation of other formulas.

The minimum percentage of funding guaranteed to each state is equal to 90.5% of the state's share of total contributions to the Highway Account of the Highway Trust Fund. For example, if a state is the source of 10% of all funds flowing into the Highway Account in a particular year, for the following year it is guaranteed 9.05% of the total amount given out. To achieve this goal, the amount of Minimum Guarantee funds given to each state will be increased or decreased each year by USDOT. For some states, this category will constitute a large portion of total federal funding. Some states may receive up to 40% of their funds through this program. Given this, Congress further directed that some of the Minimum Guarantee funds be funneled through the major policy categories – National Highway System, Interstate Maintenance, CMAQ, Bridge, and Surface Transportation Program. The remaining Minimum Guarantee funds apportioned to a state may be used for any project for which STP funds may be used. The funds are very much like STP, statewide flexible funds and are not subject to enhancement, safety or population distribution requirements.

STATE RECIPIENTS

WSDOT Programs I1, I2, I3, I4, P1, P3, T, W and Z for Local Agencies

DISTRIBUTIONS

Minimum Guarantee funds consist of two pieces: formula and flexible distributions. Over the 6 year life of TEA-21, Washington received \$193.2 million of formula funds and \$159.5 million in flexible distributions, for a total of \$352.7 million for this program.

MATCHING REQUIREMENTS

The same matching requirements that are applicable to the STP are applicable to Minimum Guarantee funds. The general rule is 80% Federal, 20% State. The federal share is increased up to 95% for states with large areas of federally-owned lands. Washington's federal share for FFY 1999 was 86.5%. For projects on the Interstate System, the federal share is 90.66%, except for projects to add Interstate capacity other than HOV or auxiliary lanes, which are funded at an 86.5% federal share.

FEDERAL PROGRAM:

TEA-21 New Highway Discretionary Programs

FEDERAL AGENCY:

Federal Highway Administration

PROGRAM DESCRIPTIONS

TEA-21 authorized three new highway discretionary programs in addition to those carried forward from ISTEA. Funding for these programs began in FFY 1999.

Transportation Infrastructure Finance and Innovation Act (TIFIA)

TIFIA will provide Federal credit assistance to major transportation investments of critical national importance, such as intermodal facilities, border crossing infrastructure, expansion of multi-state highway trade corridors, and other investments with regional and national benefits. The TIFIA credit program is designed to fill market gaps and leverage substantial private co-investment by providing supplemental and subordinate capital.

TIFIA consists of three distinct types of financial assistance (product lines), designed to address projects' varying requirements throughout their life cycles:

- Secured loans are direct Federal loans to project sponsors offering flexible repayment terms and providing combined construction and permanent financing of capital costs.
- Loan guarantees provide full-faith-and-credit guarantees by the Federal government to institutional investors such as pension funds which make loans for projects.
- Standby lines of credit represent secondary sources of funding in the form of contingent Federal loans that may be drawn upon to supplement project revenues, if needed, during the first 10 years of project operations.

The amount of Federal credit assistance may not exceed 33% of total project costs.

A total of \$530 million of contract authority is provided to pay the "subsidy cost" of supporting Federal credit under TIFIA, that is, to cover projected losses. Annual caps totaling \$10.6 billion limit the nominal amount of credit instruments issued.

Any type of project that is eligible for Federal assistance through surface transportation programs under Title 23 or chapter 53 of Title 49 U.S.C. (highway projects and transit capital projects) is eligible for the TIFIA credit program. In addition, the following types of projects are eligible: international bridges and tunnels; inter-city passenger bus and rail facilities and vehicles (including Amtrak and magnetic levitation systems); and publicly owned intermodal freight transfer facilities (except seaports or airports) on or adjacent to the National Highway System.

Each project must meet certain objectively measurable threshold criteria to qualify: it must cost at least \$100 million or 50% of the state's annual apportionment of Federal-aid funds, whichever is less. (For intelligent transportation system projects, the minimum cost is \$30 million). The project also must be supported in whole or in part from user charges or other non-Federal dedicated funding sources and be included in the state's transportation plan.

Qualified projects meeting the initial threshold eligibility criteria will be evaluated by the U.S. Secretary of Transportation and selected based on the extent to which they generate economic benefits, leverage private capital, promote innovative technologies, and meet other program objectives. Each project must receive an investment grade rating on its senior debt obligations before its Federal credit assistance may be fully funded.

Washington and United Infrastructures Inc. has applied for a \$220 million loan and \$50 million line of credit for the Tacoma Narrows Bridge project under this program. This application has been conditionally approved, but more work is needed to secure these funds.

National Corridor Planning and Development and Coordinated Border Infrastructure Programs

The purpose of these programs is to provide allocations to states and metropolitan planning organizations for coordinated planning, design, and construction of corridors of national significance, economic growth, and international or interregional trade; and to improve the safe movement of people and goods at or across the border between the United States and Canada and the border between the United States and Mexico. The two programs are funded from a single source. A total of \$700 million was made available for these two programs, with \$140 million accessible annually for FFY 1999-2003.

National Corridor Planning and Development Program

Eligibility is limited to states and MPOs. Funds are further limited to the 21 corridors identified in ISTEA, the 8 added in the 1995 National Highway Designation Act, and the 14 added by the 1998 TEA-21, as well as any modifications to these corridors made in succeeding legislation. The Secretary may select other significant corridors after considering:

1. Any increase since NAFTA in commercial vehicle traffic volume at border stations or ports of entry in each state and in the state as a whole;
2. Projected further increases of such traffic;
3. Flow of international truck-borne commodities through each state;
4. Reduction in travel time through a major international facility;
5. Leveraging of Federal funds via use of innovative financing, using funds from other Title 23 programs, other Federal funds and/or state, local and private funds;
6. Value of cargo and the economic costs of congestion; and
7. Economic growth and development in areas underserved by existing highway infrastructure.

Eligible work for corridor funds includes: Planning, coordination, design, and location studies; environmental review and construction (subsequent to the Secretary's review of a corridor development and management plan). A corridor management plan shall include: a complete and comprehensive analysis of corridor costs and benefits; a coordinated schedule showing completion of plans, development activities, environmental reviews and permits, and construction of all segments; a finance plan, including any innovative financing methods, and, if a multi-state corridor, including a state-by-state allocation; results of any environmental reviews and mitigation plans; and identification of any impediments to the development and construction of the corridor, including any environmental, social, political and economic objections.

Coordinated Border Infrastructure Program

Eligibility is limited to border states and MPOs. Criteria for selection of projects supported by border program funds include:

1. Expected reduction in motor vehicle travel time through an international border crossing;
2. Improvements in Canadian/Mexican border crossing vehicle safety and cargo security;
3. Applicability of innovative and problem solving techniques of the proposed project to other border stations or ports of entry;
4. Increased use of existing, underutilized border crossing facilities and approaches;

5. Leveraging of Federal funds via use of innovative financing, using funds from other Title 23 programs, and/or Federal, state, local, and private funding;
6. Degree of multinational involvement in the project;
7. Degree of coordination with Federal inspection agencies;
8. Local commitment to implement and sustain planning processes and programs; and
9. Factors the Secretary determines appropriate to promote border efficiency and safety.

Eligible activities include improvements to existing transportation and supporting infrastructure that facilitate cross-border vehicle and cargo movements; construction of highways and related safety and safety enforcement facilities that will facilitate vehicle and cargo movements related to international trade; operational improvements, including improvements relating to electronic data interchange and use of telecommunications, to expedite cross border vehicle and cargo movements; modifications to regulatory procedures to expedite cross border vehicle and cargo movements; International coordination of planning, programming, and border operation with Canada and Mexico relating to expedite cross border vehicle and cargo movements; and activities of Federal inspection agencies.

In FFY 2000 Washington received funds for two projects: \$2,613,000 for grade separation, port access, and railroad terminal access improvements along the FAST-corridor for the Tacoma-Seattle-Everett area; and \$871,000 for weigh-in-motion facilities in Whatcom County at the Canadian border and for a truck staging area. In FFY 2001 Congress earmarked \$1million for U.S. 395 improvement from this program. Another \$24 million was also earmarked for the FAST corridor and \$1 million for the Cascade Gateway Border Project in Whatcom Co. These funds are outside of the National Corridor Programs.

Transportation and Community and Systems Preservation Pilot

This pilot is a comprehensive initiative including planning grants, implementation grants, and research to investigate and address the relationships between transportation and community and system preservation and to identify private sector-based initiatives. A total of \$120 million was made available for the pilot, with \$20 million in FFY 1999 and \$25 million per year for FFY 2000 - 2003.

The Research program is to accomplish the following:

- investigate the relationships between transportation, community preservation, and the environment;
- investigate the role of the private sector in shaping such relationships; and
- monitor and analyze projects carried out under the grant program.

Planning and Implementation Grants are for the following:

States, metropolitan planning organizations and local governments are eligible for planning and for

implementation grants for projects that --

- improve the efficiency of the transportation system;
- reduce impacts of transportation on the environment;
- reduce the need for costly future public infrastructure investments;
- ensure efficient access to jobs, services and centers of trade; and
- examine and encourage private sector development patterns which meet these purposes.

DISTRIBUTIONS:

Funds for these programs will be distributed at the discretion of the U.S. Secretary of Transportation based on application. To date, Washington has not received funding from these programs.

Federal Transportation Programs –Traffic Safety

FEDERAL PROGRAM:

Motor Carrier Safety Assistance Program (MCSAP)

FEDERAL AGENCY:

Federal Highway Administration

PROGRAM DESCRIPTION

The National Motor Carrier Safety Program (NMCSAP) is restructured under TEA-21 to focus on strategic safety investments, increased flexibility for grantees by eliminating earmarks, strengthened Federal and state enforcement capabilities, and greater administrative flexibility to promote innovative approaches to improving motor carrier safety. States will have the opportunity to invest in areas of the greatest crash reduction based on their own circumstances. Additional emphasis is given to targeting unsafe carriers and improving information systems and analysis that underlies all national motor carrier safety activities. TEA-21 restructured the NMCSAP into two major categories: Motor Carrier Safety Assistance Program (State Grants) and Information Systems.

State Grants

1. Eligible activities include uniform roadside driver and vehicle safety inspections, traffic enforcement, compliance reviews, and other complementary activities. All states were required to adopt and implement a performance based program by the year 2000 (Washington already had a plan in place).
2. Up to 5% of federal allocated MCSAP funds may be distributed for high priority activities and projects and border Commercial Vehicle Safety and Enforcement Programs at the discretion of the Administrator.

Information Systems

Establishes a permanent funding source for information and analysis. Funds may be used for grants, cooperative agreements, or contracts. This program will fund:

1. Improvements to electronic vehicle-based information systems containing carrier, vehicle, and driver safety records and development of new databases.
2. Expanded data analysis capacity and programs.
3. Implementation of the Performance and Registration Information System Management (PRISM).
4. Improvements to driver programs.

Partnering with other state agencies to enhance MCSAP

1. The State Patrol will be partnering with the Utilities and Transportation Commission on compliance reviews conducted for solid waste companies and motor carriers of passengers. This will decrease the list of high risk carriers and improve safety ratings.
2. The State Patrol will be partnering with the Office of the Superintendent of Public Instruction in developing a safety database from information obtained during yearly safety inspections. This will greatly enhance the safe transportation of Washington State school children.

RECIPIENTS

Washington State Patrol

DISTRIBUTIONS

The federal funding is distributed to states based on a complicated formula that includes factors such as the number of commercial vehicles, miles driven, etc. These funds are appropriated from State Patrol Highway Account.

MATCHING REQUIREMENTS

Up to 80% federal funding; 20% state match is required.

FEDERAL PROGRAM: **State and Community Highway Safety Grants (Section 402)**

FEDERAL AGENCY: National Highway Traffic Safety Administration

PROGRAM DESCRIPTION

These grants are provided to support state highway safety programs designed to reduce traffic crashes and resulting deaths, injuries, and property damage. Under TEA-21, a consolidated 402 program is created, merging the ISTEA's separate FHWA 402 and NHTSA 402 authorizations into one authorization. A state may use these grant funds only for highway safety purposes (roadway and behavioral); at least 40% of these funds are to be used to address local traffic safety problems.

The Washington Traffic Safety Commission (and similar bodies in other states) prepares an annual Highway Safety Plan (HSP) in which the state's traffic safety problems are identified and countermeasure programs and cost estimates are developed. The plan is jointly developed by the WTSC member agencies, their subcommittees, and staff. WTSC projects are developed within state priority areas that include DUI, safety restraints, police traffic services, roadway safety, traffic records, emergency medical services, motorcycle safety, and pedestrian/bicycle safety. A performance measure process has been adopted beginning in FFY 1997. This process includes establishing state traffic safety goals, benchmarks, and performance measures.

STATE RECIPIENTS

Traffic Safety Commission

The following organizations receive Section 402 funding through the Traffic Safety Commission: State Patrol, Department of Licensing, Department of Health, Department of Social and Health Services, Administrator for the Courts, Department of Transportation, Superintendent for Public Instruction, cities, and counties. All political subdivisions in the state are eligible to receive Section 402 funding for safety projects.

DISTRIBUTIONS

The Section 402 formula is:

- 75% based on the ratio of the state's population in the latest Federal census to the total population in all states.
- 25% based on the ratio of the public road miles in the state to the total public road miles in all states.

The apportionment to each state is no less than one-half of one percent of the total 402 apportionment. Under this program WTSC receives approximately \$2.7 million in each federal fiscal year.

MATCHING REQUIREMENTS

Money for WTSC planning and administration expenses (building overhead, accounting, etc.) require a 50% federal/state cash match. No more than 10% of the federal funds can be used for planning and administration. Money for program operations is matched 75% federal and 25% state with a "soft" match at the state level (for Washington, WSP Field Force expenditures). Soft match can be an existing expenditure that fulfills the program requirement.

FEDERAL PROGRAM:

**Alcohol-Impaired Driving Countermeasures Incentive Grants
(Section 410)**

FEDERAL AGENCY:

National Highway Traffic Safety Administration

PROGRAM DESCRIPTION

These grants are awarded as an incentive to improve the DUI countermeasures system. The state must qualify each year by meeting nationally established performance criteria and the monies are to be spent on DUI programs. Programs initiated with these funds are typically small "system improvement" projects of one year duration.

The Traffic Safety Commission prepares an annual Alcohol Traffic Safety Plan that identifies problems and deficiencies within the DUI arena. Countermeasures with cost estimated are developed. The plan is jointly developed by staff and the Interagency Alcohol and Traffic Safety Committee, a subcommittee of the WTSC consisting of representatives of the WTSC member agencies, the State Liquor Control Board, Washington Association of Prosecuting Attorneys and other organizations. Recommendations from workshops and the annual statewide Impaired Driving Conference are considered in developing the plan.

STATE RECIPIENTS

Traffic Safety Commission

The following organizations also have received Section 410 funding through the Traffic Safety Commission: State Patrol, Administrator for the Courts, State Toxicologist, Department of Licensing, cities, counties, and Washington Association of Prosecuting Attorneys. All state agencies and political subdivisions are eligible.

DISTRIBUTIONS

States that qualify by meeting several DUI-related performance criteria receive an amount based on a percentage applied to their Section 402 apportionment. The WTSC received approximately \$900,000 in each federal fiscal year.

MATCHING REQUIREMENTS

50% Federal; 50% State or local soft match (no state funds required).

FEDERAL PROGRAM:

TEA-21 New Safety Incentive Programs

FEDERAL AGENCY:

National Highway Traffic Safety Administration

PROGRAM DESCRIPTION

Safety Incentives to Prevent Operation of Motor Vehicles By Intoxicated Persons (Section 163)

These grants are provided to encourage states to establish 0.08% blood alcohol concentration (BAC) as the legal limit for drunk driving offenses. A state may use these grant funds for any project eligible for assistance under Title 23. Available funding each year is apportioned among all eligible states according to the Section 402 formula — 75% based on population and 25% on public road mileage. Any state that has in effect and is enforcing a 0.08% BAC law, before the end of the fiscal year, is eligible to receive incentive funds for that fiscal year. The law must provide that any person with a blood alcohol concentration of 0.08% or greater while operating a motor vehicle in the state shall be deemed to have committed a per se offense of driving while intoxicated (or an equivalent per se offense). The Federal share of a project funded under this section is 100%.

Safety Incentive Grants for Use of Seat Belts (Section 157)

These grants are provided to encourage states to increase seat belt use rates. A state may use these grant funds for any project eligible for assistance under Title 23. The amount of funding each state is awarded will be based on calculations by the U.S. Secretary of Transportation of the annual savings to the Federal Government in medical costs (including savings under the medicare and medicaid programs). A state that qualifies for a grant under the first eligibility criterion will receive an amount equal to the Federal savings due to the amount by which the state seat belt use rate for the previous calendar year exceeds the national average seat belt use rate for that year. A state that qualifies for a grant under the second eligibility criterion will receive an amount equal to the Federal savings due to any increase in the state seat belt use rate for the previous calendar year over the base seat belt use rate.

A state is eligible for an incentive grant if the state had a seat belt use rate greater than the national average for the two preceding calendar years. If a state does not meet this criterion, a state is eligible for an incentive grant if the state's seat belt use rate in the previous calendar year was higher than the state's "base seat belt use rate." (The "base seat belt use rate" is defined as the state's highest use rate for any calendar year from 1996 through the calendar year preceding the previous calendar year.) If there are any unallocated funds available in FFY 1999, the excess amounts will be apportioned to the states for expenditure on the Surface Transportation Program (STP). If there are any unallocated funds available in FY 2000 through FY 2003, the Secretary is directed to allocate the funds to selected states to carry out innovative projects that promote increased seat belt use rates. The Federal share of an innovative seat belt project funded under this section is 100%.

Occupant Protection Incentive Grants (Section 405(a))

These grants are provided to encourage states to adopt and implement effective programs to reduce highway deaths and injuries resulting from individuals riding unrestrained or improperly restrained in motor vehicles. A state may use these grant funds only to implement and enforce occupant protection programs. Each state that qualifies for a grant receives up to 25% of its FY 1997 Section 402 apportionment. The U.S. Secretary of Transportation may transfer any amounts remaining available under Sections 405, 410, and 411 to the amounts made available under any other of these programs to ensure, to the maximum extent possible, that each state receives the

maximum incentive funding for which it is eligible. No state may receive a grant under this section in more than six years. A state is eligible for an incentive grant by demonstrating that it has implemented at least 4 of the following 6 criteria:

1. A law requiring safety belt use by all front seat passengers in passenger vehicles (and beginning in FY 2001, in any seat in the vehicle).
2. A safety belt law providing for primary enforcement.
3. Minimum fines or penalty points for seat belt and child seat use law violations.
4. A statewide special traffic enforcement program for occupant protection that emphasizes publicity.
5. A statewide child passenger protection education program that includes education programs about proper seating positions for children in air bag equipped motor vehicles and instruction on how to reduce the improper use of child restraint systems.
6. A child passenger protection law that requires minors to be secured properly in a child safety seat or other appropriate restraint system.

The Federal share of programs funded by this section shall not exceed 75% in the first and second years in which a state receives a grant, 50% the third and fourth years in which a state receives a grant, and 25% in the fifth and sixth years in which a state receives a grant.

Child Passenger Protection Education Grants (Section 2003(b))

These grants are provided to encourage states to implement child passenger protection programs. A state is eligible for a grant by submitting and receiving approval by the U.S. Secretary of Transportation for an application to carry out child passenger protection education activities as described above through a state program or through grants to political subdivisions of the state or to an appropriate private entity. A grant may be awarded to a state without regard to whether it is eligible to receive or has received an Occupant Protection Incentive Grant under Section 405. The Federal share under this subsection may not exceed 80%. A state may use these grant funds to implement programs that are designed to prevent deaths and injuries to children; educate the public concerning all aspects of the proper installation of child restraints, appropriate child restraint design, selection, and placement, and harness threading and harness adjustment on child restraints; train and retrain child passenger safety professionals, police officers, fire and emergency medical personnel, and other educators concerning all aspects of child restraint use. States that receives grants under this subsection must submit a report to the Secretary, at a minimum, describing the program activities carried out with the grant funds.

State Highway Safety Data Improvements Incentive Grants (Section 411)

These grants are provided to encourage states to adopt and implement effective programs to improve the timeliness, accuracy, completeness, uniformity, and accessibility of state data that is needed to identify priorities for national, state, and local highway and traffic safety programs; to evaluate the effectiveness of efforts to make such improvements; to link these state data systems, including traffic records, with other data systems within the state; and to improve the compatibility of the state data system with national data systems and data systems of other states to enhance the ability to observe and analyze national trends in crash occurrences, rates, outcomes, and circumstances. A state may use these grant funds only to implement such data improvement programs. Each state that qualifies for a grant under Option A receives \$125,000. Each state that qualifies for a grant under Option B receives a proportional amount based on Section 402 FFY 1997 apportionments, but no less than \$250,000. Each state that qualifies for a grant under Option C receives \$25,000. Each state that qualifies for a second and subsequent year grant receives a proportional amount based on Section 402 FFY 1997 apportionments, but no less than \$225,000. All grant amounts are subject to available funds. The U.S. Secretary of Transportation may transfer any amounts remaining available under Sections 405, 410, and 411

to the amounts made available under any other of these programs to ensure, to the maximum extent possible, that each state receives the maximum incentive funding for which it is eligible.

First Year Grants: A state has three options for qualifying for a first year grant—

Option A - To qualify, a state must:

1. Establish a multi-disciplinary highway safety data and traffic records coordinating committee.
2. Complete a highway safety data and traffic records assessment or audit within the five years prior to the first grant application.
3. Initiate development of a multi-year highway safety data and traffic records strategic plan (with performance-based measures) approved by the coordinating committee.

Option B - To qualify, a state must:

1. Certify that the state has met the criteria in (A)(1) and (A)(2) above.
2. Submit a data and traffic records multi-year plan, identifying goals, performance-based measures, and priorities; and that specifies how incentive funds will be used.
3. Certify that the coordinating committee continues to operate and support the plan.

Option C - The Secretary may award a grant of up to \$25,000 for 1 year to any state that does not meet the criteria for Option A or B.

States that receive a First Year Grant then would be eligible to receive Second and Subsequent Year Grants. To qualify, a state must:

1. Submit or update a data and traffic records multi-year plan, identifying goals, performance-based measures and priorities; and that specifies how incentive funds will be used.
2. Certify that the coordinating committee continues to support the multi-year plan.
3. Report annually on the progress made to implement the plan.

No state may receive a grant under this section in more than six years. The Federal share of programs funded this section shall not exceed 75% in the first and second years in which a state receives a grant, 50% in the third and fourth years in which a state receives a grant, and 25% in the fifth and sixth years in which a state receives a grant.

STATE RECIPIENTS

The following organizations may receive funding through the Traffic Safety Commission: State Patrol, Department of Licensing, Department of Health, Department of Social and Health Services, Administrator for the Courts, Department of Transportation, Superintendent for Public Instruction, cities, and counties.

Federal Transportation Programs - Transit

FEDERAL PROGRAM:**Section 5309 Capital Grants and Loans****FEDERAL AGENCY:**

Federal Transit Administration

PROGRAM DESCRIPTION

The FTA Section 5309 Capital Grants and Loans Program consists of three separate parts: formula apportionments for fixed guideway modernization; discretionary allocations for the construction of new fixed guideway systems and extensions to existing systems (new starts); and discretionary allocations for buses and bus facilities. Under TEA-21, formula apportionments for fixed guideway modernization and discretionary allocations for new starts are each allocated 40% of the available Section 5309 funds, and discretionary allocations for buses and bus facilities is allocated 20%.

STATE RECIPIENTS

Fixed Guideway Modernization: Seattle, Tacoma, King County/METRO, and WSDOT Program W4

New Starts: Sound Transit (RTA) and South Spokane Valley Corridor

Buses and Bus Facilities: Varies from year to year.

DISTRIBUTIONS

Distributions for fixed guideway modernization are pursuant to formula. Distributions for new starts and buses and bus facilities are at the discretion of Congress.

The 40-40-20 split described above under "Program Description" has not been strictly adhered to. In recent years, Congress has adopted a practice of earmarking the new fixed guideway and bus funds for specific projects, leaving little or no discretionary funding available. The amounts appropriated have also deviated from the 40-40-20 split.

Allocations of Section 5309 funds for FFY 2004 and 2003 were as follows:

	<i>FFY 2004</i>	<i>FFY 2003</i>
<i>Fixed Guideway Modernization:</i>		
Seattle	\$22,120,743	\$23,567,344
<i>New Starts:</i>		
Seattle Sound Transit Central Link Initial Segment	73,813,414	
Puget Sound, Sounder Commuter Rail		29,507,472
<i>Buses & Bus Facilities:</i>		
Clallam Transit Buses	242,718	
CTTRAN Vancouver Mall Transit Center		\$2,557,565
CTTRAN Bus Replacement	2,912,620	
Community Transit Bus and Van Replacement	970,874	
Aurora Avenue Bus Rapid Transit		1,475,518
Burien Transit Center		1,967,357
Edmonds Crossing multi-modal project	1,941,747	3,442,875
Everett Transit Bus Replacement	970,874	
Grant Transit Bus Facility	485,437	
Grays Harbor Transit Capital Improvements	72,815	

Intercity Transit Fare Collection		245,920
Intercity Transit Bus Expansion and Replacement	970,874	
Issaquah Highlands Park and Ride		1,377,150
Jefferson Transit Facilities	970,874	983,679
Jefferson Transit Bus Replacement	194,174	
King County Metro Clean Air Buses	4,854,368	
King County Metro Turn Around at Taylor Landing	38,834	
King Street Station Multimodal facility		245,920
Kitsap Transit Bus Replacement	970,874	
Lakewood SR 512 Park and Ride		1,475,518
Link Transit Vehicle Replacement	776,699	
Mason Transit Facilities	194,174	295,104
Mercer Island Transit Center, Park and Ride		491,839
Mount Vernon Multi-modal facility & buses		1,967,357
Mukilteo Lane Park and Ride	970,874	
North Bend Park and Ride	582,524	
Pierce Transit bus and bus facilities		2,951,036
Pierce Transit M&O facility	970,874	
Port Angeles International Gateway		1,475,518
Community Transit Park and Ride	1,941,747	2,951,036
Sound Transit Regional Express transit hubs	1,941,747	3,934,715
Spokane Transit bus and bus facilities		2,459,197
WA State Small Bus System Program of Projects	3,688,347	\$2,105,072

MATCHING REQUIREMENTS

The federal share of any project financed under Section 5309 is a maximum of 80% of the "net project cost." "Net project cost" is defined as the portion of the cost of a project that cannot reasonably be financed from revenues.

FEDERAL PROGRAM:

Section 5307 Formula Capital and Operating Grants

FEDERAL AGENCY:

Federal Transit Administration

PROGRAM DESCRIPTION

This program provides grants that may be used to finance the planning, acquisition, construction, improvement, preventative maintenance, and operating costs (in Metropolitan areas under 200,000) of mass transportation services.

STATE RECIPIENTS

Recipients of Section 5307 funds in Vancouver, Seattle-Everett, Spokane, Tacoma, and Bremerton are determined by the state's three Transportation Management Areas (TMAs). The Governor delegated authority to the Department of Transportation the apportioned amounts for distribution to the state's urbanized areas under 200,000 population: Bellingham, Longview-Kelso, Olympia, Richland-Kennewick-Pasco, and Yakima. Washington State Ferries receives funding through Seattle-Everett and Tacoma.

DISTRIBUTIONS

Under FTA, both Highway Trust Fund (Mass Transit Account) and Federal General Funds are used to support the Section 5307 Program. Pursuant to TEA-21, funds are distributed under a complex formula.

Of the total amounts made nationally available for Section 5307 programs, 9.32% is made available only in urbanized areas of less than 200,000. The remaining amounts (90.68%) are made available only for urbanized areas of over 200,000 population.

Of the funds available for areas over 200,000, 33.29% is allocated based on the following formula:

- 95.61% is apportioned 60% based on fixed guideway revenue vehicle miles and 40% based on fixed guideway route miles. Areas with a population of 750,000 or more with a commuter rail service must receive a minimum of 0.75% of the sums available.
- 4.39% is apportioned based on the number of fixed guideway vehicle passenger miles traveled multiplied by the number of fixed guideway vehicle passenger miles traveled for each dollar of operating cost. Areas with a population of 750,000 or more with a commuter rail service must receive a minimum of 0.75% of the sums available.

The remaining 66.71% of funds available to areas over 200,000 is allocated based on the following formula:

90.8% is apportioned:

- 73.39% to areas over 1,000,000 population based 50% on total bus revenue vehicle miles operated in or directly serving the urbanized area, 25% based on urbanized area population and 25% based on population weighted for density, and
- 26.61% to areas under 1,000,000 population based 50% on total bus revenue vehicle miles operated in or directly serving the urbanized area, 25% based on urbanized area population and 25% based on population weighted for density.

The remaining 9.2% is apportioned as follows:

- Among areas of 200,000 population or more based on bus passenger miles traveled multiplied by the number of bus passenger miles traveled for each dollar of operating cost.

Funds available for areas under 200,000 population are apportioned 50% based on population (based on the latest Federal Census) and 50% based on population weighted for density.

FFY 2004 and 2003 apportionments for Washington State were:

	<u>FFY 2004</u>	<u>FFY 2003</u>
Portland-Vancouver	\$ 30,800,000	\$29,500,000
Seattle-Everett-Tacoma	74,500,000	75,600,000
Spokane	6,000,000	6,000,000
Smaller Areas*	9,900,000	9,900,000

*Includes apportionments for Bremerton, Bellingham, Longview-Kelso, Olympia, Richland-Kennewick-Pasco, Yakima, Wenatchee, Mount Vernon, and Lewiston, ID-WA.

MATCHING REQUIREMENTS

80% Federal share for capital projects, including preventative maintenance. 50% Federal share for operating expense projects in the six smaller areas only.

FEDERAL PROGRAM:

Section 5310 Grants for Transportation to Meet Special Needs of Elderly and Persons with Disabilities

FEDERAL AGENCY:

Federal Transit Administration

PROGRAM DESCRIPTION

The U.S. Secretary of Transportation is authorized to make grants to states and public bodies for the purpose of assisting them in providing mass transportation services to meet the special needs of the elderly and persons with disabilities. The Secretary also authorizes states to make grants to private nonprofit corporations and associations for the purpose of assisting them in providing mass transportation services to meet the special needs of the elderly and persons with disabilities for whom services carried out by public entities are not available, not sufficient or inappropriate. TEA-21 allows funds to be used by public bodies to coordinate services or to provide services where no private or nonprofit is readily available for such purposes.

All funds for this program are distributed by the WSDOT Public Transportation and Rail Division on a competitive grant application basis.

STATE RECIPIENTS

WSDOT provides grants to local providers.

DISTRIBUTIONS

Formula apportionments to states are prescribed in law. To be eligible for apportionments, states are required to submit an annual program of projects for elderly and disabled services that considers the number of such persons within the state.

MATCHING REQUIREMENTS

80% Federal, 20% State and Local.

FEDERAL PROGRAM:

Section 5311 Non-Urbanized Area Formula Assistance (Rural Assistance)

FEDERAL AGENCY:

Federal Transit Administration

PROGRAM DESCRIPTION

This program provides funding for public transportation projects in rural areas (areas over 50,000 population are provided assistance under Section 5307). Projects are to be in the annual program of projects for public transportation services in rural areas. The program must provide a fair and equitable distribution of funds within the state, including Indian reservations, and provides the maximum feasible coordination of public transportation services assisted by this program and other federal sources.

Up to 15% of the apportioned funds may be used for state administration of the program and providing technical assistance to recipients.

A state must expend not less than 15% of amounts made available under Section 5311 for a program for the development and support of intercity bus transportation. Eligible activities include operating grants through purchase-of-service agreements and user-side subsidies.

In addition, Congress appropriates funds for the Rural Transit Assistance Program (RTAP) to assist states in providing training and technical assistance.

STATE RECIPIENTS

WSDOT provides grants to local providers

DISTRIBUTIONS

Funds are apportioned to the Governor based on population in rural areas. The formula is updated using population estimates prepared following the fourth or eighth years after the publication of the Census.

MATCHING REQUIREMENTS

The federal share for administration is 100%. The federal share of any capital project is 80% of the net project cost. The maximum federal share for any payment of subsidies of operating expenses is 50%. However, the WSDOT has chosen to use a maximum federal share of 35% so that federal money is available for more programs and projects.

FEDERAL PROGRAM:

Section 5303 Metropolitan Planning Grants

FEDERAL AGENCY:

Federal Transit Administration

PROGRAM DESCRIPTION

The U.S. Secretary of Transportation is authorized to make grants to states for Metropolitan Planning Organizations (MPOs). MPOs use these funds for planning, engineering, designing and evaluating public transportation projects and in performing other technical studies. Before receiving funds, MPOs are required to submit an annual Unified Planning Work Program (UPWP).

STATE RECIPIENTS

WSDOT Program T
Metropolitan Planning Organizations
Transportation Management Areas

DISTRIBUTIONS

Eighty percent of program revenue is distributed to the states based on urbanized area population. A supplemental allocation of the remaining 20% is provided based on a FTA administrative formula to address planning needs in the larger, more complex urbanized areas. Further, WSDOT has developed a formula to distribute funds to MPOs in Washington.

MATCHING REQUIREMENTS

80% Federal, 20% Local

FEDERAL PROGRAM:

Section 5313 State Planning Grants

FEDERAL AGENCY:

Federal Transit Administration

PROGRAM DESCRIPTION

Section 5313 grants provide funding to states for state planning efforts.

STATE RECIPIENTS

WSDOT Program Y

DISTRIBUTIONS

Amounts are apportioned to states on the basis of population in urbanized areas as shown in the most recent census, except no state shall receive less than 1/2% of the available funds.

MATCHING REQUIREMENTS

80% Federal, 20% State

FEDERAL PROGRAM: **TEA-21 New Transit Discretionary Programs**

FEDERAL AGENCY: Federal Transit Administration

PROGRAM DESCRIPTIONS

TEA-21 authorized three new grant programs in the Federal Transit Act:

- Clean Fuels Formula Grant Program (Section 5308);
- Job Access and Reverse Commute Grants (Section 3037); and
- Rural Transportation Accessibility Incentive Program (Section 3038).

Each of these grant programs begins in FFY 1999. The Federal Transit Administration is yet to promulgate application guidelines or project selection criteria for any of these grant programs. However, the Federal Transit Administration will administer each of these grant programs from Washington, D.C.

Clean Fuels Formula Grant Program

This program has a congressionally designed formula based upon bus passenger miles, weighted by severity of non-attainment of air quality. Congress authorized up to \$50 million annually to implement this program nationally. Congress merged the funding for this program with the Section 5309 Buses and Bus Facilities program.

Job Access and Reverse Commute Grants

This program will provide funding for capital projects, operating costs, and promoting the use of transportation services. Welfare recipients are a primarily beneficiary group for these transportation services. The maximum federal share is 50% of total costs. Projects are to be selected competitively nationally. Congress authorized up to \$150 million annually to implement this program nationally.

Rural Transportation Accessibility Incentive Program

This program will provide funding for capital and training projects for “over-the-road” transportation services. Intercity bus carriers operating buses characterized by an elevated passenger deck located over a baggage compartment are the beneficiary group of this program. The maximum federal share is 50% of total costs. Projects are to be selected competitively nationally, emphasizing compliance with the Americans with Disabilities Act.

STATE RECIPIENTS: To be determined.

DISTRIBUTIONS

Clean Fuels Formula Grant Program will be distributed to states based on a formula. The Job Access and Reverse Commute Grants and Rural Transportation Accessibility Incentive Program funds will be distributed at the discretion of the U.S. Secretary of Transportation based on application.

MATCHING REQUIREMENTS

80% Federal, 20% State

Federal Transportation Programs - Rail

FEDERAL PROGRAM:

High Speed Rail Grade Crossing Improvement Program

FEDERAL AGENCY:

Federal Highway Administration and Federal Railroad Administration

PROGRAM DESCRIPTION

This program was originally established in ISTEA for the installation or improvement of warning devices, improvements of track circuitry, other crossing improvements, closure of crossing, grade separation construction or reconstruction and combined crossing warning systems with advanced train control. The Eugene to Vancouver, B.C. corridor is eligible for these funds. Congress authorized \$5.25 million per year, for a total of \$31.5 million for this program.

STATE RECIPIENTS

WSDOT Program Y

DISTRIBUTIONS

Grants to states are at the discretion of the U.S. Secretary of Transportation based on application.

MATCHING REQUIREMENTS

80% Federal, 20% State

FEDERAL PROGRAM:

Railroad Rehabilitation and Improvement Financing

FEDERAL AGENCY:

Federal Railroad Administration

PROGRAM DESCRIPTION

This program is intended to make funding available through loans and loan guarantees for railroad capital improvements. No direct Federal funding is authorized in TEA-21; however, the U. S. Secretary of Transportation is authorized to accept a commitment from a non-Federal source to fund the required credit risk premium. The aggregate unpaid principal amounts of obligations for direct loans and loan guarantees cannot exceed \$3.5 billion at any one time, of which not less than \$1 billion shall be available solely for other than Class I carriers. Direct loans and loan guarantees can be made to state and local governments, government sponsored authorities, corporations, railroads, and joint ventures that include at least one railroad. These loans are to be used to acquire, improve, develop or rehabilitate intermodal or rail equipment or facilities, including track, bridges, yards and shops.

Priority in selecting projects is to be given to those that enhance public safety and the environment, promote economic development, enable United States companies to be more competitive in international markets, are endorsed in state and local transportation plans, or preserve or enhance rail or intermodal service to small communities or rural areas.

The Secretary is authorized to accept a commitment from a non-Federal source to fund in whole or in part required credit risk premiums (which fund the costs associated with a potential default on the loan/loan guarantee). These private commitments can be used in lieu of or in combination with future appropriations of Federal funds. The Secretary is to determine the amount required for credit risk premiums on the basis of the circumstances of the applicant, including the collateral offered, the proposed schedule of disbursements, historical data on the repayment history of similar borrowers, in consultation with the Congressional Budget Office, or any other relevant factors. Loans may not exceed 25 years and must be justified by the present and probable future demand for rail services or intermodal facilities. Applicants must provide reasonable assurance that the facilities or equipment to be acquired, rehabilitated, improved, developed or established will be economically and efficiently utilized. The obligation must be reasonably expected to be repaid, taking into account an appropriate combination of credit risk premiums and collateral.

STATE RECIPIENTS

WSDOT Program Y

DISTRIBUTIONS

Loans and loan guarantees are at the discretion of the U.S. Secretary of Transportation based on application. Washington State is assessing the applicability of this program and may consider applying. This program is one option for funding the Washington Fruit Express.